



SECURITIES TRADING POLICY

IOT GROUP LIMITED

1. Application

Who does this Policy apply to?

- 1.1 This Securities Trading Policy (**Policy**) sets out the Company's policy on Trading in Shares or related Securities of the Company.

Reasons for this Policy

- 1.2 The Company has adopted this Policy to regulate Trading by Employees in the Company's Securities.
- 1.3 All Employees are required to conduct their personal investment activity in a manner that is lawful and avoids conflicts of interest between the Employee's personal interests and those of the Group. The Company is also keen to promote shareholder and general market confidence in the Group.
- 1.4 This Policy is specifically designed to:
- (a) raise awareness and minimise any potential for breach of the prohibitions on insider trading contained in Part 7.10 of the Corporations Act - see section 4 for further details; and
 - (b) meet the Company's obligations under the ASX Listing Rules to maintain a Securities Trading Policy.

Who does this Policy apply to?

- 1.5 This Policy applies to all Employees of the Company and the Group.
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2. Definitions and interpretation

Definitions

- 2.1 In this Policy, unless the context otherwise requires:

ASX means ASX Limited or another market operator (Market Operator) and a financial market conducted by the Market Operator, as the context requires.

ASX Listing Rules means the listing rules of ASX or another Market Operator applicable to the Company from time to time.

Board means the board of directors of the Company.

Closed Period means any time other than during a Trading Window.

Company means The IOT Group Limited.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means any director of the Company.

Employee means a person who is an employee, contractor, officer or director of the Company or the Group and includes the Senior Executives.

Exceptional Circumstances means circumstances which the Chair (or the Chair of the Audit & Risk Committee in the case of proposed Trading by the Chair) decides

are so exceptional that the proposed Trading of Securities is the only reasonable course of action available, which can include the circumstances set out in section 7.1.

Group means the Company and its controlled entities.

Prohibited Period means any Closed Period and any additional period from time to time when the Chair or Board impose a prohibition on Trading.

Shares means ordinary shares of the Company.

Securities includes Shares, options, performance rights and other securities issued by the Company which are convertible into Shares, as well as financial products issued or created over Shares by third parties, including structured financial products, swaps, futures contracts, contracts for differences, spread bets, options, warrants, depositary receipts or other derivatives over or related to the performance of Shares.

Senior Executives means:

- (a) the Chief Executive Officer and Chief Financial Officer;
- (b) all direct reports to the Chief Executive Officer;
- (c) any other person who is one of the Group's key management personnel (as defined in *AASB 124 Related Party Disclosures*), including those persons identified as key management personnel in the Company's most recent Annual Report; and
- (d) any other Employee, including contractors, who the Board designates them as a Senior Executive for the purposes of this Policy.

Trade or **Trading** means:

- (a) buying or selling Securities;
- (b) entering into an agreement to buy or sell Securities; or
- (c) exercising options, rights or awards to acquire Securities.

Trading Window means any period specified in clauses 3.5 to 3.7.

Interpretation

2.2 In this Policy, a reference to writing includes writing delivered by email.

3. Trading Windows

Trading may occur only during Trading Windows

- 3.1 All Trading in Securities by Employees must be in accordance with this Policy and generally will only be permitted during Trading Windows and must not occur during any Prohibited Period.
- 3.2 No Trading in Securities may occur outside of Trading Windows without the prior written permission of the Chair (or an officer of the Company designated by the Chair), unless an exception in section 3.8 applies. Permission to sell (but not purchase) Securities will ordinarily only be granted in Exceptional Circumstances and only in the event that the person involved is not in possession of inside information

affecting Securities. Requests for permission should generally be made through the Company Secretary. Refer to section 7 for further details.

When is Trading during a Trading Window prohibited?

- 3.3 Even if the Trading Window is open, the laws prohibiting insider trading continue to apply to Employees so that they must not trade if they possess any inside information. Refer to section 4 of this Policy for further details.
- 3.4 Employees are prohibited from:
- (a) **(short term trading)** other than when an Employee exercises employee options or performance rights to acquire Shares at the specified exercise price, Trading in Securities (or an interest in Securities) on a short-term trading basis. Short-term trading includes buying and selling Securities within a 12 month period, and entering into other short-term dealings (e.g. forward contracts);
 - (b) **(hedging unvested awards)** entering into transactions or arrangements, including by way of derivatives or similar financial products, which operate to limit the economic risk of an Employee's holdings of unvested Securities granted under an employee incentive plan; or
 - (c) **(short positions)** Trading in Securities which enable an Employee to profit from or limit the economic risk of a decrease in the market price of Shares.

When are the Trading Windows?

- 3.5 The Trading Windows during which Employees will be permitted to Trade Securities will be notified by the Company Secretary by email to Employees. These will generally be open at the following times:
- (a) for a period of four weeks commencing on the trading day following the public release by the Company of its preliminary annual and half year results to the ASX;
 - (b) for a period commencing on the trading day following lodgement of the Company's Annual Report with the ASX and continuing for up to four weeks after the holding of the Company's Annual General Meeting; and
 - (c) during the offer period (for so long as it remains open) under any publicly available prospectus or other disclosure document issued by the Company offering Securities;
 - (d) at any other time as the Chairman, on behalf of the Board, may determine.>
- 3.6 Notwithstanding the time periods described above, the Company may declare a Trading Window closed at any time at its absolute discretion and without prior notice. For example, this could occur where directors of the Company believe that certain Employees may hold inside information relating to the Group.
- 3.7 Trading Windows will not automatically be opened at the times described above. Details of when a Trading Window is opened or closed will be emailed by the Company Secretary to Employees. Employees should confirm that a relevant Trading Window applies before Trading in any Securities.

Exceptions to the Prohibited Periods

- 3.8 The following exceptions to the Trading restrictions during Prohibited Periods apply even if a Trading Window is not open (but subject always to insider trading laws):
- (a) an exercise (but not the sale of Securities following exercise) of an option or other right to acquire Shares under an employee incentive scheme or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security falls during a Prohibited Period;
 - (b) Trading under an offer or invitation made to all or most of the shareholders such as a rights or entitlement issue, a security purchase plan, or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
 - (c) Trading where the beneficial interest in the relevant Securities does not change. This includes:
 - (i) a dealing by which the relevant Securities are transferred by an Employee from their personal holdings to a superannuation fund of which they are a beneficiary;
 - (ii) the withdrawal of Securities from an employee incentive scheme and the transfer of those Securities to the participant's personal holdings or superannuation fund of which they are a beneficiary;
 - (d) an acquisition of Securities under a dividend reinvestment plan, provided the election to participate in the dividend reinvestment plan was made before the Employee came into possession of any inside information;
 - (e) an Employee accepting a takeover bid or transferring Securities under a scheme of arrangement in respect of the Company;
 - (f) a disposal of Securities that is the result of a secured lender or financier exercising their rights. However, this does not extend to disposal under a margin lending arrangement where such arrangement is prohibited by this Policy;
 - (g) an acquisition of Securities under a bonus issue made to all holders of the Company's Securities of the same class;
 - (h) an investment in, or trading in units of, a fund or some other scheme (other than a scheme only investing in the Securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
 - (i) Trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
 - (i) the Employee did not enter into the plan or amend the plan during a Prohibited Period;

- (ii) the trading plan does not permit the Employee to exercise any influence or discretion over how, when, or where to Trade; and
- (iii) the trading plan does not allow for the cancellation of a trading plan or for the Employee to otherwise vary their participation in the trading plan during a Prohibited Period other than in Exceptional Circumstances.

3.9 Despite the above exceptions, under the insider trading laws, a person who possesses inside information may be prohibited from trading even where Trading falls within an exception specified above.

Escrow

3.10 Any Employee who holds Securities subject to binding restrictions on transfer (either as ASX or other Market Operator restricted securities or through voluntary escrow arrangements) must comply with the terms of any applicable escrow arrangements and will be unable to trade in Securities during that time. Once the escrow arrangements have ended, the Employee is not free to Trade in their Securities unless permitted by this Policy.

4. Insider trading laws

What is insider trading?

- 4.1 Under the Corporations Act, all Employees and former Employees are prohibited in all circumstances from Trading in Securities at any time if they are in possession of "inside information" (see sections 4.7 to 4.9 below) whether or not a Trading Window is open.
- 4.2 Employees are also prohibited from procuring others to Trade in Securities when the Employee is precluded from Trading.
- 4.3 In addition, Employees:
- (a) must not communicate inside information to someone who might then:
 - (i) Trade in Securities; or
 - (ii) procure another person to Trade in Securities, including to any family members, relatives and entities which the Employee controls; and
 - (b) should seek to ensure that third parties who come into possession of inside information preserve its confidentiality and do not Trade while in possession of that information. This will usually be achieved by means of a written confidentiality agreement.
- 4.4 It does not matter how or in what capacity an Employee becomes aware of inside information. It does not have to be obtained from the Group to constitute inside information.
- 4.5 Employees cannot avoid the insider trading prohibition by arranging for a family member, friend or other person to Trade in Securities nor may an Employee give "tips" concerning inside information relating to the Group to others.

What is inside information?

- 4.6 **Inside information** is information relating to the Group which is not generally available but, if the information were generally available, would be likely to have a material effect on the price or value of the Company's Securities. Inside information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.
- 4.7 Information is regarded as being likely to have a material effect if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to deal in the Company's Securities.
- 4.8 Examples of inside information could include:
- (a) the financial performance of the Group against its budget;
 - (b) changes in the Group's actual or anticipated financial condition or business performance;
 - (c) changes in the capital structure of the Group, including proposals to raise additional equity or borrowings;
 - (d) proposed changes in the nature of the business of the Group;
 - (e) changes to the Board or significant changes in key management personnel;
 - (f) an undisclosed significant change in the Group's market share;
 - (g) likely or actual entry into, or loss of, a material contract;
 - (h) material acquisitions or sales of assets by the Group;
 - (i) a proposed dividend or other distribution or a change in dividend policy; or
 - (j) a material claim against a member of the Group or other unexpected liability.

What are the consequences of insider trading?

- 4.9 Insider trading is strictly prohibited by law, and it is important that all Employees do not breach that prohibition. Insider trading, or the perception of insider trading, by any Employee will not be tolerated. Breach of the law, this Policy, or both, will also be regarded by the Company as serious misconduct which may lead to disciplinary action or dismissal.
- 4.10 The existence of a personal financial emergency or hardship does not excuse non-compliance with this Policy. It is important that the Group and its Employees do not participate in any insider trading activities, but also that we avoid any perception or appearance of insider trading.
- 4.11 Any allegation of insider trading would be likely to have a serious detrimental impact on the Group and its business and all Employees must be seen to be actively and diligently upholding the law and complying with this Policy.
- 4.12 Breach of the insider trading laws may subject the Company and Employees to:
- (a) criminal liability (penalties include heavy fines or imprisonment);

- (b) civil liability (including orders to pay compensation for any loss suffered as a result of illegal trading activities); or
- (c) civil penalty provisions (the Australian Securities and Investments Commission may seek civil penalties against relevant persons and may also seek court orders that relevant individuals be disqualified from managing a corporation).

5. Trading in securities of other companies

- 5.1 While in general Employees are free to deal in securities of other listed companies, the insider trading prohibitions under the Corporations Act include dealings not only in the Company's Securities but also those of other listed companies with which the Company may be dealing where an Employee possesses inside information in relation to that other company.
- 5.2 If an Employee is aware of inside information in respect of another company, the Employee should not trade or deal in the securities of the company that it affects. For example, where the Employee is aware that the Group is about to sign a major agreement or enter into a material arrangement with another company, the Employee should not deal in the securities of either entity.
- 5.3 The Board may extend this Policy by specifying that Employees are also restricted from dealing in securities of other specified companies with which the Group may have a close relationship. Any extension under this clause will be notified in writing and must not be discussed with any other person other than the Chairman or the Company Secretary.

6. Pre-notification and reporting of Trades – Directors & Senior Executives

Who must give notification of an intention to Trade and when?

- 6.1 When permitted to Trade in accordance with this Policy, all **Directors and Senior Executives** obtain prior written approval of any proposed Trading in Securities and confirm that they do not possess any inside information:
 - (a) in the case of Senior Executives, to the Chair, copy to the Company Secretary;
 - (b) in the case of a Director of the Company, to the Chair, copy to the Company Secretary;
 - (c) in the case of the Chair, the Chair of the Audit & Risk Committee.(each a **Notification Officer**).
- 6.2 The relevant Notification Officer must provide written approval. Trading, or a request to trade, must not occur until written approval is received.

What Trading does not need to be pre-notified?

- 6.3 The only Trades that do not need to be pre-notified are those that are permitted under a specific exception in section 3.8 (Exceptions to the Prohibited Periods).

Notification of Trades

- 6.4 In addition to seeking and obtaining written approval under section 6.1, once a Trade of any Securities has been made by or for a Director or a Senior Executive, details of the Trade, including the number and price of Securities involved, must be immediately notified by email to the Company Secretary along with a copy of the relevant contract note or confirmation of trade
- 6.5 **Directors** must immediately notify the Company Secretary of all acquisitions or disposals or other Trading of Securities by providing the relevant contract note or confirmation of trade that includes date, price and volume, without exception to comply with reporting obligations. Each disclosure notice given to ASX will need to state whether the relevant trade occurred outside of a Trading Window and, if so, whether prior written clearance was provided.

Notification of an intention to trade on behalf of associates

- 6.6 **Directors and Senior Executives** must give prior written notice of any proposed Trading in Securities in accordance with section 6.4 on behalf of any of their associates. For this purpose, "associates" of a Director or Senior Executive includes their spouses, family members, trusts, companies, nominees, super funds and other persons over whom a Director or Senior Executive has, or may be expected to have, investment control or influence.

7. Exceptional circumstances

- 7.1 Employees may make requests for permission to Trade outside of the Trading Windows only in Exceptional Circumstances (except if this would breach the insider trading provisions). Exceptional Circumstances may include:
- (a) severe financial hardship, where the Employee has pressing financial commitments that cannot be satisfied otherwise than by selling Securities;
 - (b) requirements under a court order or court enforceable undertakings or other legal or regulatory requirements; or
 - (c) any other exceptional circumstances as determined by the Chair (or the Chair of the Audit & Risk Committee in the case of proposed Trading by the Chair).
- 7.2 A request for permission to Trade due to Exceptional Circumstances should be made by written notice to the Chair, copy to the Company Secretary outlining:
- (a) the name of the Employee;
 - (b) details of the Exceptional Circumstances and the reasons for requesting permission to Trade;
 - (c) the type of proposed transaction (purchase, sale, etc.); and
 - (d) the number and type of Securities involved.
- 7.3 Permission to Trade is entirely discretionary, and Employees should not Trade in the expectation that permission will later be given.
- 7.4 If permission to Trade is granted, it will be given in writing and the Employee may only Trade the Securities during the period specified in the permission. A permission

expires five business days from its date, unless it specifies a different date. In any case, Trading should not occur if it would breach the Insider Trading provisions.

8. Margin lending arrangements

- 8.1 Directors of the Company and Senior Executives may not include their Securities in a margin loan portfolio or otherwise Trade in Securities pursuant to a margin lending arrangement (**Margin Lending Arrangement**).
- 8.2 A Margin Lending Arrangement would include:
- (a) entering into a margin lending arrangement in respect of Securities;
 - (b) transferring Securities into an existing margin loan account; and
 - (c) selling Securities to satisfy a call under a margin loan except where the holder of Securities has no control over the sale.
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9. Review of Policy and compliance with Policy

- 9.1 This Policy will be reviewed by the Board having regard to the changing circumstances of the Company and any material changes to this Policy will be notified to ASX. If Employees have any comments or views concerning the operation or effectiveness of this Policy, they should be communicated to the Company Secretary.
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10. Breaches

- 10.1 Breaches of this Policy will be viewed seriously and may lead to disciplinary action being taken against the relevant Employee. In serious cases, disciplinary action may include dismissal. Any Employee who becomes aware of a violation of this Policy should immediately report the violation to the Company Secretary.
- 10.2 It should be noted that, in some circumstances, the Company may be obliged to notify regulatory and/or criminal authorities of a serious breach of this Policy.
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11. Questions

- 11.1 For questions about the operation of this Policy or its application in any particular situation, please contact the Company Secretary.
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12. Review and Approval

- 12.1 The Policy is annually reviewed by the Board. It was last review and approved by the Board on 22 March 2016.